

COMMITTEE ON PUBLIC INSTITUTIONS AND RETIREMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1030

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 38-842, Arizona Revised Statutes, is amended to read:

38-842. Definitions

In this article, unless the context otherwise requires:

1. "Accidental disability" means a physical or mental condition ~~which~~ **THAT** the local board finds totally and permanently prevents an employee from performing a reasonable range of duties within the employee's job classification and **THAT** was incurred in the performance of the employee's duty.

2. "Accumulated contributions" means, for each member, the sum of the amount of the member's aggregate contributions made to the fund and the amount, if any, attributable to the employee's contributions prior to the member's effective date under another public retirement system, other than the federal social security act, and transferred to the fund minus the benefits paid to or on behalf of the member.

3. "Actuarial equivalent" means equality in present value of the aggregate amounts expected to be received under two different forms of payment, based on mortality and interest assumptions adopted by the fund manager. The fund manager may from time to time change the mortality and interest assumptions.

4. "Alternate payee" means the spouse or former spouse of a participant as designated in a domestic relations order.

5. "Alternate payee's portion" means benefits that are payable to an alternate payee pursuant to a plan approved domestic relations order.

6. "Average monthly benefit compensation" means the result obtained by dividing the total compensation paid to an employee during a considered period by the number of months, including fractional months, in which such

1 compensation was received. The considered period shall be the three
2 consecutive years within the last twenty completed years of credited service
3 ~~which~~ THAT yield the highest average. In the computation under this
4 paragraph a period of nonpaid or partially paid industrial leave shall be
5 considered based on the compensation the employee would have received in the
6 employee's job classification if the employee was not on industrial leave.

7 7. "Catastrophic disability" means a physical and not a psychological
8 condition that the local board determines prevents the employee from totally
9 and permanently engaging in any gainful employment and that results from a
10 physical injury incurred in the performance of the employee's duty.

11 8. "Certified peace officer" means a peace officer certified by the
12 Arizona peace officers standards and training board.

13 9. "Claimant" means any member or beneficiary who files an application
14 for benefits pursuant to this article.

15 10. "Compensation" means, for the purpose of computing retirement
16 benefits, base salary, overtime pay, shift differential pay and holiday pay
17 paid to an employee by the employer on a regular monthly, semimonthly or
18 biweekly payroll basis and longevity pay paid to an employee at least every
19 six months for which contributions are made to the system pursuant to section
20 38-843, subsection D. Compensation does not include, for the purpose of
21 computing retirement benefits, payment for unused sick leave, payment in lieu
22 of vacation, payment for compensatory time or payment for any fringe
23 benefits. For the purposes of this paragraph, "base salary" means the amount
24 of compensation each employee is regularly paid for personal services
25 rendered to an employer before the addition of any extra monies, including
26 overtime pay, shift differential pay, holiday pay, longevity pay, fringe
27 benefit pay and similar extra payments.

28 11. "Credited service" means the member's total period of service prior
29 to the member's effective date of participation, plus those compensated
30 periods of the member's service thereafter for which the member made
31 contributions to the fund.

1 12. "Cure period" means the ninety-day period in which a participant or
2 alternate payee may submit an amended domestic relations order and request a
3 determination, calculated from the time the system issues a determination
4 finding that a previously submitted domestic relations order did not qualify
5 as a plan approved domestic relations order.

6 13. "Depository" means a bank in which all monies of the system are
7 deposited and held and from which all expenditures for benefits, expenses and
8 investments are disbursed.

9 14. "Determination" means a written document that indicates to a
10 participant and alternate payee whether a domestic relations order qualifies
11 as a plan approved domestic relations order.

12 15. "Determination period" means the ninety-day period in which the
13 system must review a domestic relations order that is submitted by a
14 participant or alternate payee to determine whether the domestic relations
15 order qualifies as a plan approved domestic relations order, calculated from
16 the time the system mails a notice of receipt to the participant and
17 alternate payee.

18 16. "Domestic relations order" means an order of a court of this state
19 that is made pursuant to the domestic relations laws of this state and that
20 creates or recognizes the existence of an alternate payee's right to, or
21 assigns to an alternate payee the right to, receive a portion of the benefits
22 payable to a participant.

23 17. "Effective date of participation" means July 1, 1968, except with
24 respect to employers and their covered employees whose contributions to the
25 fund commence thereafter, the effective date of their participation in the
26 system is as specified in the applicable joinder agreement.

27 18. "Effective date of vesting" means the date a member's rights to
28 benefits vest pursuant to section 38-844.01.

29 19. "Eligible child" means the unmarried child of a deceased member who
30 is under the age of eighteen or a full-time student who is under the age of
31 twenty-three or under a disability ~~which~~ THAT began before the child attained

1 the age of twenty-three and who remains a dependent of the surviving spouse
2 or guardian.

3 20. "Eligible groups" means only the following who are regularly
4 assigned to hazardous duty:

5 (a) Municipal police officers who are certified peace officers.

6 (b) Municipal fire fighters.

7 (c) Paid full-time fire fighters employed directly by a fire district
8 organized pursuant to section 48-803 or 48-804 with three or more full-time
9 fire fighters, but not including fire fighters employed by a fire district
10 pursuant to a contract with a corporation.

11 (d) State highway patrol officers who are certified peace officers.

12 (e) State fire fighters.

13 (f) County sheriffs and deputies who are certified peace officers.

14 (g) ~~Fish and~~ game AND FISH wardens who are certified peace officers.

15 (h) Police officers who are certified peace officers and fire fighters
16 of a nonprofit corporation operating a public airport pursuant to sections
17 28-8423 and 28-8424. A police officer shall be designated pursuant to
18 section 28-8426 to aid and supplement state and local law enforcement
19 agencies and a fire fighter's sole duty shall be to perform fire fighting
20 services, including services required by federal regulations.

21 (i) Police officers who are certified peace officers and who are
22 appointed by the Arizona board of regents.

23 (j) Police officers who are certified peace officers and who are
24 appointed by a community college district governing board.

25 (k) State attorney general investigators who are certified peace
26 officers.

27 (l) County attorney investigators who are certified peace officers.

28 (m) Police officers who are certified peace officers and who are
29 employed by an Indian reservation police agency.

30 (n) Fire fighters who are employed by an Indian reservation fire
31 fighting agency.

1 (o) Police officers who are certified peace officers and who are
2 appointed by the department of administration.

3 (p) Department of liquor licenses and control investigators who are
4 certified peace officers.

5 (q) Arizona department of agriculture officers who are certified peace
6 officers.

7 (r) Arizona state parks board rangers and managers who are certified
8 peace officers.

9 (s) County park rangers who are certified peace officers.

10 21. "Employee" means any person who is employed by a participating
11 employer and who is a member of an eligible group but does not include any
12 persons compensated on a contractual or fee basis. If an eligible group
13 requires certified peace officer status and at the option of the local board,
14 employee may include a person who is training to become a certified peace
15 officer.

16 22. "Employers" means:

17 (a) Cities contributing to the fire fighters' relief and pension fund
18 as provided in sections 9-951 through 9-971 or statutes amended thereby and
19 antecedent thereto, as of June 30, 1968 on behalf of their full-time paid
20 fire fighters.

21 (b) Cities contributing under the state police pension laws as
22 provided in sections 9-911 through 9-934 or statutes amended thereby and
23 antecedent thereto, as of June 30, 1968 on behalf of their municipal
24 policemen.

25 (c) The state highway patrol covered under the state highway patrol
26 retirement system.

27 (d) The state, or any political subdivision ~~thereof~~ **OF THIS STATE**,
28 including ~~but not limited to~~ towns, cities, fire districts, counties and
29 nonprofit corporations operating public airports pursuant to sections 28-8423
30 and 28-8424, ~~which~~ **THAT** has elected to participate in the system on behalf of
31 an eligible group of public safety personnel pursuant to a joinder agreement
32 entered into after July 1, 1968.

1 (e) Indian tribes ~~which~~ THAT have elected to participate in the system
2 on behalf of an eligible group of public safety personnel pursuant to a
3 joinder agreement entered into after July 1, 1968.

4 23. "Fund" means the public safety personnel retirement fund, which is
5 the fund established to receive and invest contributions accumulated under
6 the system and from which benefits are paid.

7 24. "Fund manager" means the fund manager of the system, who are the
8 persons appointed to invest and operate the fund.

9 25. "Local board" means the retirement board of the employer, who are
10 the persons appointed to administer the system as it applies to their members
11 in the system.

12 26. "Member" means any employee who meets all of the following
13 qualifications:

14 (a) Who is either a full-time paid municipal police officer, a
15 full-time paid fire fighter, a law enforcement officer who is employed by ~~the~~
16 THIS state including the director thereof, a state fire fighter who is
17 primarily assigned to fire fighting duties, a fire fighter or police officer
18 of a nonprofit corporation operating a public airport pursuant to sections
19 28-8423 and 28-8424, all ranks designated by the Arizona law enforcement
20 merit system council, a state attorney general investigator who is a
21 certified peace officer, a county attorney investigator who is a certified
22 peace officer, a police officer who is appointed by the department of
23 administration and who is a certified peace officer, a department of liquor
24 licenses and control investigator who is a certified peace officer, an
25 Arizona department of agriculture officer who is a certified peace officer,
26 an Arizona state parks board ranger or manager who is a certified peace
27 officer, a county park ranger who is a certified peace officer, a person who
28 is a certified peace officer and who is employed by an Indian reservation
29 police agency, a fire fighter who is employed by an Indian reservation fire
30 fighting agency or an employee included in a group designated as eligible
31 employees under a joinder agreement entered into by their employer after July
32 1, 1968 and who is or was regularly assigned to hazardous duty.

1 (b) Who, on or after the employee's effective date of participation,
2 is receiving compensation for personal services rendered to an employer or
3 would be receiving compensation except for an authorized leave of absence.

4 (c) Whose employment with an employer commenced prior to attainment of
5 age fifty.

6 (d) Whose customary employment is at least forty hours per week and
7 for more than six months in a calendar year.

8 (e) Who has not attained age sixty-five prior to the employee's
9 effective date of participation or who was over age sixty-five with
10 twenty-five years or more of service prior to the employee's effective date
11 of participation.

12 27. "Normal retirement date" means the first day of the calendar month
13 immediately following an employee's completion of twenty years of service or
14 the employee's sixty-second birthday and the employee's completion of fifteen
15 years of service.

16 28. "Notice of receipt" means a written document that is issued by the
17 system to a participant and alternate payee and that states that the system
18 has received a domestic relations order and a request for a determination
19 that the domestic relations order is a plan approved domestic relations
20 order.

21 29. "Ordinary disability" means a physical condition ~~which~~ THAT the
22 local board determines will prevent an employee totally and permanently from
23 performing a reasonable range of duties within the employee's department or a
24 mental condition ~~which~~ THAT the local board determines will prevent an
25 employee totally and permanently from engaging in any substantial gainful
26 activity.

27 30. "Participant" means a member who is subject to a domestic relations
28 order.

29 31. "Participant's portion" means benefits that are payable to a
30 participant pursuant to a plan approved domestic relations order.

31 32. "Pension" means a series of monthly amounts ~~which~~ THAT are payable
32 to a person who is entitled to receive benefits under the plan.

1 33. "Personal representative" means the personal representative of a
2 deceased alternate payee.

3 34. "Plan approved domestic relations order" means a domestic relations
4 order that the system approves as meeting all the requirements for a plan
5 approved domestic relations order as otherwise prescribed in this article.

6 35. "Regularly assigned to hazardous duty" means regularly assigned to
7 duties of the type normally expected of municipal police officers, municipal
8 or state fire fighters, eligible fire district fire fighters, state highway
9 patrol officers, county sheriffs and deputies, fish and game wardens, fire
10 fighters and police officers of a nonprofit corporation operating a public
11 airport pursuant to sections 28-8423 and 28-8424, police officers who are
12 appointed by the Arizona board of regents or a community college district
13 governing board, state attorney general investigators who are certified peace
14 officers, county attorney investigators who are certified peace officers,
15 police officers who are appointed by the department of administration and who
16 are certified peace officers, department of liquor licenses and control
17 investigators who are certified peace officers, Arizona department of
18 agriculture officers who are certified peace officers, Arizona state parks
19 board rangers and managers who are certified peace officers, county park
20 rangers who are certified peace officers, police officers who are certified
21 peace officers and WHO are employed by an Indian reservation police agency or
22 fire fighters who are employed by an Indian reservation fire fighting
23 agency. Those individuals who are assigned solely to support duties such as
24 secretaries, stenographers, clerical personnel, clerks, cooks, maintenance
25 personnel, mechanics and dispatchers are not assigned to hazardous duty
26 regardless of their position classification title. Since the normal duties
27 of ~~municipal police officers, municipal or state fire fighters, eligible fire~~
28 ~~district fire fighters, state highway patrol officers, county sheriffs and~~
29 ~~deputies, fish and game wardens, fire fighters and police officers of a~~
30 ~~nonprofit corporation operating a public airport pursuant to sections 28-8423~~
31 ~~and 28-8424, police officers who are appointed by the Arizona board of~~
32 ~~regents or a community college district governing board, state attorney~~

~~general investigators who are certified peace officers, county attorney investigators who are certified peace officers, police officers who are appointed by the department of administration and who are certified peace officers, department of liquor licenses and control investigators who are certified peace officers, Arizona department of agriculture officers who are certified peace officers, Arizona state parks board rangers and managers who are certified peace officers, county park rangers who are certified peace officers, police officers who are certified peace officers and are employed by an Indian reservation police agency and fire fighters who are employed by an Indian reservation fire fighting agency~~ THOSE JOBS DESCRIBED IN THIS PARAGRAPH are constantly changing, questions as to whether a person is or was previously regularly assigned to hazardous duty shall be resolved by the local board on a case-by-case basis. Resolutions by local boards are subject to rehearing and appeal.

36. "Retirement" means termination of employment after a member has fulfilled all requirements for a pension. Retirement shall be considered as commencing on the first day of the month immediately following a member's last day of employment or authorized leave of absence, if later.

37. "Segregated funds" means the amount of benefits that would currently be payable to an alternate payee pursuant to a domestic relations order under review by the system, or a domestic relations order submitted to the system that failed to qualify as a plan approved domestic relations order, if the domestic relations order were determined to be a plan approved domestic relations order.

38. "Service" means the last period of continuous employment of an employee by the employers prior to the employee's retirement or the employee's sixty-fifth birthday, whichever first occurs, except that if such period includes employment during which the employee would not have qualified as a member had the system then been effective, such as employment as a volunteer fire fighter, then only twenty-five per cent of such noncovered employment shall be considered as service. Any absence ~~which~~ THAT is authorized by an employer shall not be considered as interrupting continuity

1 of employment if the employee returns within the period of authorized
2 absence. Transfers between employers also shall not be considered as
3 interrupting continuity of employment. Any period during which a member is
4 receiving sick leave payments or a temporary disability pension shall be
5 considered as service. NOTWITHSTANDING ANY OTHER PROVISION OF THIS
6 PARAGRAPH, any period during which a person was employed as a full-time paid
7 fire fighter ~~by a fire district pursuant to a contract with a corporation~~
8 ~~within that fire district~~ FOR A CORPORATION THAT CONTRACTED WITH AN EMPLOYER
9 TO PROVIDE FIRE FIGHTING SERVICES ON BEHALF OF THE EMPLOYER shall be
10 considered as service if ~~it is part of the person's last period of continuous~~
11 ~~employment with that corporation in that fire district and the fire district~~
12 EMPLOYER has elected AT ITS OPTION to treat PART OR ALL OF the period THE
13 FIRE FIGHTER WORKED FOR THE COMPANY as service in its applicable joinder
14 agreement. Any reference in this system to the number of years of service of
15 an employee shall be deemed to include fractional portions of a year.

16 39. "State" means the state of Arizona, including any department,
17 office, board, commission, agency or other instrumentality of the state.

18 40. "System" means the public safety personnel retirement system
19 established by this article.

20 41. "Temporary disability" means a physical or mental condition ~~which~~
21 THAT the local board finds totally and temporarily prevents an employee from
22 performing a reasonable range of duties within the employee's department and
23 ~~which~~ THAT was incurred in the performance of the employee's duty.

24 Sec. 2. Section 38-853.01, Arizona Revised Statutes, is amended to
25 read:

26 38-853.01. Redemption of prior service

27 A. Each present active member of the system ~~who had previous~~ MAY ELECT
28 TO REDEEM ANY PART OF THE FOLLOWING PRIOR SERVICE OR EMPLOYMENT BY PAYING
29 INTO THE SYSTEM ANY AMOUNTS REQUIRED UNDER SUBSECTION B IF THE PRIOR SERVICE
30 OR EMPLOYMENT IS NOT ON ACCOUNT WITH ANY OTHER RETIREMENT SYSTEM:

31 1. PRIOR service in this state as an employee with an employer now
32 covered by the system or ~~had previous~~ PRIOR service with an agency of the

1 United States government, a state of the United States or a political
2 subdivision of a state of the United States as a full-time paid firefighter
3 or full-time paid certified peace officer ~~may elect to redeem any part of the~~
4 ~~prior service by paying into the system any amounts required under subsection~~
5 ~~B if the prior service is not on account with any other retirement system.~~

6 2. SUBJECT TO ANY LIMITATIONS PRESCRIBED BY FEDERAL LAW, PRIOR
7 EMPLOYMENT AS AN EMPLOYEE WITH A CORPORATION THAT CONTRACTED WITH AN EMPLOYER
8 NOW COVERED BY THE SYSTEM TO PROVIDE FIREFIGHTING SERVICES ON BEHALF OF THAT
9 EMPLOYER AS A FULL-TIME PAID FIREFIGHTER.

10 B. Any present active member who elects to redeem any part of the
11 prior service OR EMPLOYMENT for which the employee is deemed eligible by the
12 fund manager under this section shall pay into the system the amounts
13 previously withdrawn by the member, if any, as a refund of the member's
14 accumulated contributions plus accumulated interest as determined by the fund
15 manager and the additional amount, if any, computed by the system's actuary
16 which is necessary to equal the increase in the actuarial present value of
17 projected benefits resulting from the redemption calculated using the
18 actuarial methods and assumptions prescribed by the system's actuary.

19 Sec. 3. Amendment or execution of joinder agreement

20 If an employer in the public safety personnel retirement system elects
21 to include its fire fighters who have prior service working as a fire fighter
22 for a corporation that contracted with an employer to provide fire fighting
23 services as part of its eligible group, the employer shall amend the joinder
24 agreement with the fund manager of the public safety personnel retirement
25 system or execute a joinder agreement if the employer entered the system on
26 July 1, 1968."

27 Amend title to conform

and, as so amended, it do pass

SAMUEL T. CRUMP, SR.
Vice-Chairman

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